



North Korea Skincare: Survival Through Crisis

North Korea · Skincare

SECTOR SPOTLIGHT

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English Edition (also available in Russian and Chinese)



Brandmine



SECTOR SPOTLIGHT

North Korea Skincare: Survival Through Crisis

Three state factories in North Korea produce 570+ skincare products under complete sanctions isolation, connected through JV structures more sophisticated than anyone assumed. When chemical imports were blocked, they adapted with 100% natural substitution—not as marketing, but as survival infrastructure in an 80-year forced innovation laboratory.

QUICK FACTS

Scale	Three state factories producing 570+ combined product types across three brands with 80 years continuous operation since 1945
Competitive Edge	Complete chemical import prohibition forcing 100% natural substitution — creating unique formulation expertise unreplicable by competitors
Core Challenge	UN sanctions (Resolution 1718) blocking luxury goods exports and SWIFT/payment infrastructure foreclosure
Timing	Post-COVID reopening creates narrow 12–24 month documentation window before restrictions likely return after 2026

“Let's enable all our people to use good-quality cosmetics to make them beautiful.”

Kim Jong Il, Supreme Leader of DPRK

On visiting Sinuiju Cosmetics Factory, June 1999

MARKETS: North Korea

SECTORS: Skincare

BRANDS: Kumgangsán · Unhasu · Mirae

Geographic Distribution

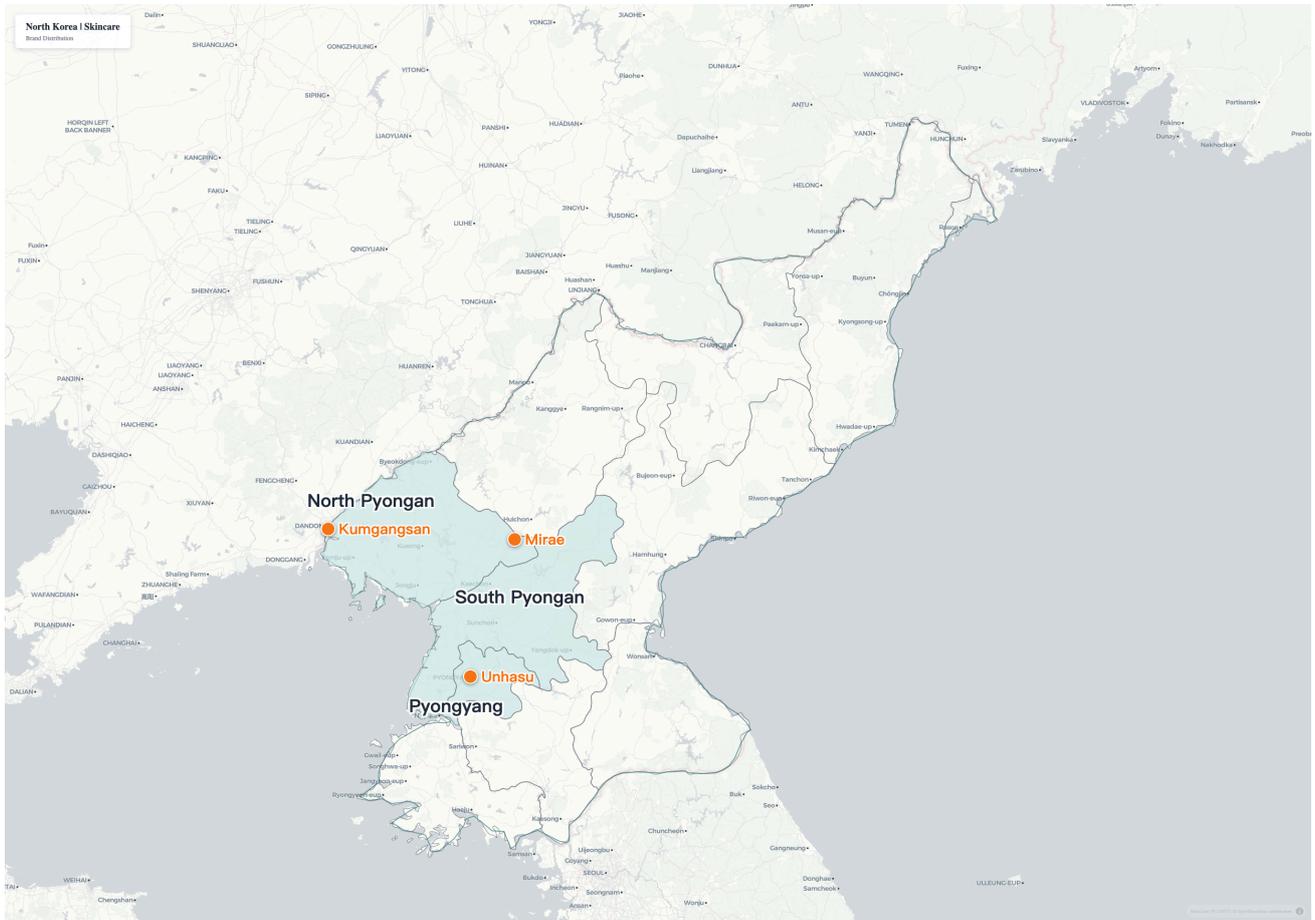


Figure 1: North Korea skincare brands — geographic distribution

● Brand location

North Korea’s skincare geography maps directly onto the country’s political economy.

Sinuiju, on the Chinese border, hosts the Kumgangsán (금강산) joint venture complex. Proximity to Dandong makes it the natural entry point for Chinese raw materials and technical partnerships.

Pyongyang concentrates state-directed cosmetics production at the Unhasu (은하수) facility, where access to government research institutes and the capital’s infrastructure supports the regime’s showcase brands.

Hyangsan, in North Pyongan province, is home to Mirae (미래) — sited near Mount Myohyang’s UNESCO Biosphere Reserve to exploit the mountain’s endemic botanicals, including Korean pine bark, mugwort, and bellflower root.

Most observers assumed North Korea's (officially the DPRK) cosmetics industry died decades ago—if it ever existed. The reality: three factories operating continuously since 1945, producing over 570 product types across three brands connected through JV structures, shipping to Russia and China. Hidden in plain sight behind sanctions and opacity. Not because they failed. Because no one looked.

Three state-backed factories dominate the entire market with three brands—one an umbrella joint venture with sub-brands, more sophisticated than anyone assumed; one the product of direct supreme leader intervention; and one operating through a DPRK-China JV. Where typical markets develop through entrepreneurship and competition, the DPRK's cosmetics sector reveals 80 years of calculated state protection, elite patronage, and survival mechanisms invisible in conventional industries. This isn't market analysis. It's an archaeology of how brands survive when economics becomes secondary to regime legitimacy.

From Guerrilla Morale to State Infrastructure

Kim Il Sung (김일성) recognized cosmetics' strategic value from his Manchuria guerrilla experience—where makeup supported female soldiers' morale while fighting Japan. That recognition shaped post-liberation priorities.

Sinuiju (신의주) Cosmetics Factory opened in 1945, making it one of the DPRK's oldest continuously operating manufacturing facilities. *Pyongyang (평양) Cosmetics Factory* followed in 1962 during industrialization campaigns. Both facilities positioned cosmetics as light industry aligned with socialist self-sufficiency while the regime emphasized “socialist femininity”—women maintaining appearance while contributing to national construction.

The 1950-1953 Korean War devastated infrastructure. Cosmetics reemerged in the 1960s-1980s producing basic creams, lotions, and soaps distributed through the Public Distribution System. Then came the 1990s crisis period. The “Arduous March” (1994-1998) saw energy imports collapse 70%. The Public Distribution System failed. Most consumer goods production ceased.

Cosmetics didn't.

Kim Jong Il (김정일) visited deteriorating Sinuiju factory in June 1999, declaring: “Let's enable all our people to use good-quality cosmetics to make them beautiful.” He ordered complete reconstruction. By 2001, a new 250,000-square-foot facility opened with modernized equipment producing 270+ product types—during a period when most factories sat idle.

The choice revealed priorities. Kim designated “Spring Fragrance” products as his signature gift for female soldiers and performing artists. Not medals. Not cash bonuses. Premium cosmetics. This guaranteed elite military demand even as civilian consumer markets vanished, protecting the sector through the military-first Songun era (1995-2011).

Kim Jong Un (김정은) accelerated investment from 2015 onward. After criticizing domestic quality, he personally delivered 138 international cosmetics samples from Chanel, Dior, Lancôme, and Shiseido for competitive analysis. The 2017 Pyongyang factory reconstruction demonstrated regime commitment to consumer culture as economic progress demonstration.

Three Production Nodes, One Supply Chain

The DPRK's cosmetics manufacturing concentrates in three production regions plus one critical raw materials supplier—driven by border geography, capital advantages, and natural resources.

Sinuiju (North Pyongan)

35%

Specialty: Ginseng functional cosmetics, toiletries, soap production

Sits across Yalu River from Dandong, China—the only major rail crossing handling 80% of bilateral trade. This geography proved survival-critical during crisis periods. Chinese yuan accepted at factory (20-200 RMB range). 250,000-square-foot rebuild 2001 expanded capacity to 270+ product types.

Notable Brands: Kumgangsán (금강산, umbrella JV), with sub-brands Pomhyanggi (봄향기/Spring Fragrance) and Okryu (옥류). Korea Kumgangsán JV Company handles export/branding from Pyongyang; Sinuiju factory handles production.

Kim Jong Il-ordered reconstruction 2001; Kumgangsán JV established ~2005 as third iteration (after Noana (너와나) → Pomhyanggi JVs); Kim Jong Un visit with wife Ri Sol Ju June 2018; e-commerce launch on DPRK intranet 2019; dedicated Pyongyang retail shop; 9 overseas agent stores including Moscow

HIGH INVESTMENT

Pyongyang

35%

Specialty: Premium stem cell cosmetics, luxury alternatives to Western brands

Capital location provides access to best-educated workforce, research institutions, and wealthiest consumers. September 2018 opening to foreign media marked first international journalist access to any DPRK cosmetics facility—revealing 300+ product types with stem cell technology.

Notable Brands: Unhasu (은하수, Milky Way)

Complete 2017 reconstruction; Kim Jong Un personally delivered 138 international samples; state TV showed women replacing Chanel with Unhasu; first Russia export May 2018

HIGH INVESTMENT

Myohyang (North Pyongan)

20%

Specialty: Premium skincare targeting younger consumers via Myohyang Chonho JV (DPRK-China joint venture, est. post-2011)

Third facility near Mount Myohyang. Operated by Myohyang Chonho Joint Venture Company (묘향천호합작회사), a DPRK-China JV. Factory manager stated in 2015 that Myohyang plus Pyongyang combined output exceeds Sinuiju individually—confirming significant production scale and intentional state-fostered competition between facilities.

Notable Brands: Mirae (미래, "Future") — premium brand benchmarked against South Korean packaging, popular among younger consumers

DPRK-China JV with unidentified Chinese partner ("Chonho"). Excluded from KCNA's "twin pillars" framing—likely due to Chinese capital participation. Created after Kim Jong Un took power (post-2011).

MEDIUM INVESTMENT

Kaesong (North Hwanghae)

10%

Specialty: Kaesong Koryo ginseng—raw materials for both major factories

Famous for ginseng cultivation since 11th-12th century Goryeo Dynasty. Natural topography and climate produce premium ginseng with high saponin content. Both Kumgangsan and Unhasu prominently feature "Kaesong Koryo Ginseng" to leverage 1,000-year heritage. The Kumgangsan JV also claims Mount Kumgang and Myohyang mountain botanicals as ingredient sources.

Notable Brands: Kaesong Ginseng Processing Factory, Korean Jangsu Trading Company

Processes raw ginseng into essences, extracts, saponin, and powder for cosmetics formulations. Some finished product production at smaller scale.

MEDIUM INVESTMENT

Despite initial assumptions, *Chongjin, Wonsan, Hamhung, and Sariwon* show no cosmetics manufacturing evidence—revealing how concentrated production remains. Kim Jong Un's "20x10 Regional Development Policy" (launched January 2024) may decentralize by 2026-2027, though first-year focus remained food and clothing.

What Hides Behind Complete Isolation

Most observers assume the DPRK either lacks cosmetics capability or produces rudimentary propaganda products. The reality proves far more sophisticated: three state-backed factories producing 570+ product types across three brands—stem cell anti-aging formulations, sheet masks, serums, functional cosmetics marketed as competitive with Chanel and Shiseido. Yet 99% of international audiences have never heard of Kumgangsan, Unhasu, or Mirae despite 80 years of continuous production.

The invisibility stems from layered barriers. Complete political isolation means cosmetics exports face legal, logistical, and reputational obstacles—no international retailer can stock DPRK products without sanctions scrutiny. UN Resolution 1718 (2006) banned luxury goods including cosmetics, while Resolutions 2270 and 2321 (2016-2017) prohibited chemical imports essential for formulations. The 2019 e.l.f. Cosmetics case proved enforcement reaches even indirect supply chains: \$996,080 in fines for importing false eyelashes containing DPRK materials via Chinese suppliers.

State opacity prevents basic market intelligence. No independent revenue data, production volumes, or workforce statistics exist. Foreign access remained prohibited until September 2018 when Pyongyang factory opened to journalists—carefully controlled even then. All documentation exists in Korean only, with brand names Kumgangsan, Unhasu, and Mirae carrying zero recognition outside Korean-speaking populations. The cultural context—Kim family gift-giving traditions, military symbolism, socialist femininity ideals—remains opaque to external analysts.

The information vacuum extends to professional channels. McKinsey doesn't cover DPRK consumer goods. Crunchbase lists zero DPRK beauty startups. Trade publications ignore the sector except as geopolitical curiosity. This creates an unexpected opportunity: the DPRK's cosmetics sector functions as a unique laboratory

for brand survival under extreme constraints. No other market demonstrates complete chemical import prohibition forcing 100% natural substitution, zero international supply chains requiring closed-loop production, JV export architectures operating under comprehensive sanctions, and brand heritage through three-generation leadership transitions spanning 1945 to 2026.

Three Brands, State-Managed Competition

Three factories, three brands, all sustained through three generations of Kim family patronage. Each survived differently—one through geography, serial rebranding, and an umbrella JV structure; one through direct supreme leader intervention; and one through Chinese capital.

Kumgangsán is both an umbrella brand and the Korea Kumgangsán Joint Venture Company—a JV trading and export entity based in Pyongyang’s Moranbong District. It does not manufacture; production remains at the Sinuiju Cosmetics Factory across the Yalu River from Dandong. The entity evolved through at least three naming phases: an early period under the name Noana (“You and Me”), a Pomhyanggi branding phase, and a post-2014 reversion to Kumgangsán as the master brand with Pomhyanggi and Okryu as sub-brands. This two-tier structure—state factory for production, JV entity for branding and export—proved survival-critical. During the 1990s Arduous March, Sinuiju’s border position enabled material access when inland facilities collapsed. Kim Jong Il’s designation of Pomhyanggi as his signature gift for female military personnel created guaranteed elite demand when civilian markets disappeared. By 2015, Kumgangsán claimed approximately 80% domestic market share, operated 9 overseas agent stores including a Moscow outlet, and held ISO 9001, GMP, and SGS certifications.

By 2019, demand grew so intense Kim Jong Un ordered a dedicated Pyongyang shop. The brand launched on the DPRK’s internal e-commerce platform. Domestic products: \$3-30. Export versions to China and Russia: \$21-112.

Unhasu spent decades in obscurity until February 2015, when Kim Jong Un visited the Pyongyang factory and delivered a scathing quality critique. His response revealed the regime’s ambitions: he personally delivered 138 international samples—Chanel, Shiseido—and ordered reconstruction to produce “world’s best cosmetics.” The factory was completely rebuilt by 2017.

Today it claims 300+ product types including stem cell formulations. Management asserts Unhasu “runs neck and neck with Chanel.” Independent 2019 testing tells a different story: Korea University and Amorepacific found harmful ingredients in 7 of 64 products tested. Yet in September 2018, the regime opened the factory to foreign journalists for the first time. Two months earlier, the first export shipment reached Russia, targeting Australia and Cyprus markets.

Mirae represents the sector’s least visible but most structurally revealing brand. Produced at the Myohyang Cosmetics Factory through the Myohyang Chonho Joint Venture Company—a DPRK-China JV with an unidentified Chinese partner—Mirae was created after Kim Jong Un took power (post-2011) and projects a premium brand image benchmarked against South Korean packaging. Vogue Korea identified it as one of North Korea’s top four cosmetics brands in 2018, noting its popularity among younger consumers. KCNA conspicuously excludes Myohyang from the state narrative, describing only “twin pillars” (Sinuiju and Pyongyang)—likely because Chinese capital participation places Mirae outside the propaganda framework of purely domestic achievement.

The brands don’t compete for market share—the state controls all three factories. At the 2015 National Exhibition of Consumer Products, factories “submitted more than 80 types of cosmetics and hundreds of products, which felt like the site of a fierce technology competition.” Not market rivalry. Technology rivalry, deliberately fostered to drive quality through managed competition.

How Business Actually Works (And Doesn't)

Distribution operates through severely constrained routes, with Dandong, China serving as the primary gateway handling 80% of bilateral trade. Sinuiju's border location enables smuggling and informal trade when formal channels close. Russia emerged as a secondary route post-2018 via Trans-Siberian rail, while domestic distribution flows through state retail, dedicated brand shops, and remnants of the Public Distribution System.

Standard payment mechanisms don't exist. SWIFT banking remains unavailable, and normal trade finance is impossible. Chinese intermediaries in Dandong receive yuan payments, while barter arrangements help avoid currency transactions entirely. The Sinuiju factory accepts direct cash payments in Chinese yuan (20-200 RMB range), and unconfirmed cryptocurrency reports circulate without cosmetics-specific evidence. Legal risk is substantial—the 2019 e.l.f. Cosmetics case resulted in \$996,080 in fines for importing false eyelashes containing DPRK materials from 2012-2017, demonstrating that US enforcement reaches even indirect supply chains.

Local partnerships route exclusively through state entities. The Korea Kumgangsán JV Company functions as the umbrella brand and export vehicle for Sinuiju production—not merely an export handler but the brand identity itself, with 9 overseas agent stores and ISO/GMP/SGS certifications. The Myohyang Chonho JV operates as a separate DPRK-China export channel for Mirae products. Korean Jangsu Trading Company manages Kaesong ginseng, and the Ministry of Light Industry provides oversight. No independent distributors exist. Entry pathways close for all commercial actors—buyers face Chinese intermediaries with undocumented minimums and impossible verification, investors confront state ownership that prohibits private capital and bans foreign direct investment, and potential partners discover white-label arrangements are unavailable due to state-owned intellectual property.

Commercial engagement creates extreme legal and reputational exposure for Western entities. Academic observation, however, carries no legal risk.

Cosmetics as Regime Legitimacy

Cosmetics occupy unique symbolic space as *regime-endorsed feminine expression within socialist constraints*. DPRK ideology frames cosmetics as supporting workers' morale and demonstrating state capacity—not capitalist vanity.

Three generations of Kim family patronage elevated cosmetics from industrial product to political symbol. Kim Il Sung established the original factories (1945, 1962). Kim Jong Il designated Pomhyanggi as his signature gift for female military personnel, creating guaranteed elite demand. Kim Jong Un delivered unprecedented public attention—factory visits with his wife, personally delivering 138 international samples, state TV campaigns showing women replacing Chanel with domestic brands. This positions cosmetics as *economic progress demonstration*: we compete with the West despite sanctions.

Generational differences reveal sophistication. Older generations (60+) view products through regime loyalty. Middle generations (35-59) pragmatically compare domestic vs. smuggled foreign products. The market generation (under 35)—those who grew up with informal markets providing smuggled K-beauty—remain skeptical of propaganda, preferring foreign when affordable, using domestic as budget alternatives.

Consumer accounts describe frustration with inferior staying power, limited color ranges, and packaging quality. The 2019 independent testing confirming harmful ingredients in some products validates these quality concerns.

Analysts using normal business metrics (revenue, market share, profitability) misunderstand sector purpose. *Cosmetics serve regime stability*, not economic returns. Kumgangsán survived the military-first era because the Kim family's practice of giving cosmetics as gifts to female military personnel required guaranteed supply regardless of market demand. Kim Jong Un's 2015-2018 attention creates international narrative countering

pariah image—worth more than export revenue. Availability signals regime capacity; shortages would indicate failure.

Market Reality: Domestic Brands Under Pressure (2025-2026)

State propaganda and consumer reality are diverging sharply. Daily NK reporting from mid-2025 through early 2026 reveals a clear consumer hierarchy: *South Korean cosmetics rank first, Chinese products second, and DPRK brands a distant third*. An estimated four in ten women aged 20-30 use Chinese “Bishong” (비송) whitening cosmetics at just 20-50 yuan rather than domestic Kumgangsán or Unhasu sets priced at 130-500 yuan.

Among elites, the shift is even more dramatic. Chanel cosmetics and perfume now enter via Chinese border trade at 750-1,250 yuan, displacing even South Korean products as status markers among the wealthy “donju” class. A January 2026 report describes a “cosmetics craze” sweeping the DPRK—sunscreen, edible collagen, facial masks as the hottest items—but the beneficiaries are foreign products, not domestic ones.

The regime has noticed. The Cabinet has ordered trading companies to export processed goods including cosmetics rather than raw materials, but Chinese buyers remain uninterested in DPRK finished products. The paradox: state investment created factories capable of producing 570+ product types, yet consumers prefer foreign alternatives when they can afford them.

Why Now: Documentation Window Closing

Kim Jong Un’s consumer culture normalization marks a dramatic shift from the military-first era. The March 2013 First National Light Industry Convention—the first in 10 years—signaled the “parallel development” policy emphasizing simultaneous nuclear and economic growth. Cosmetics demonstrates “modern lifestyle” credentials, sustaining investment regardless of sanctions.

Sanctions paradoxically forced innovation. Chemical import prohibitions from 2016-2017 required 100% natural substitution. Rather than collapse, factories pivoted to “natural” and “hypoallergenic” positioning—demonstrating resilience patterns that other isolated markets may replicate. Sinuiju Cosmetics Factory reportedly succeeded in producing hyaluronic acid through microbial fermentation, reducing import dependence and developing functional products including perm cream, eyelash growth serum, and acne-treatment masks.

Multiple catalysts converge in 2025-2026 to create a narrow documentation window. The 20x10 Regional Development Policy launched in January 2024 may decentralize production beyond the Sinuiju-Pyongyang-Myohyang axis by 2026-2027. 38 North’s satellite analysis of 18 new factory sites in the program’s second year found none dedicated to cosmetics. Russia trade expansion from 2024-2025 creates alternative export pathways less vulnerable to US enforcement—the May 2018 first shipment to Moscow preceded current geopolitical alignment, suggesting Russian Far East distribution could expand significantly.

Post-COVID access normalization offers the most immediate opportunity. DPRK border closures from 2020-2023 prevented all foreign factory access. Reopening to Chinese tour groups in August 2024 and potential journalist access in 2025 creates a narrow window for direct observation. The September 2018 Pyongyang factory tour represented unprecedented access—the next opportunity may be 2025-2026. Meanwhile, Korea University and Amorepacific’s 2019 testing methodology is established. As more products reach Chinese markets, additional independent testing in 2025-2026 could document quality changes and formulation evolution.

The timeline is stark: 12-24 months for researcher observation before restrictions likely return. Post-2026, documentation may become impossible for another decade.

What This Market Teaches Us

The DPRK’s cosmetics sector survived eighty years of crisis through calculated state protection, strategic geography, JV export architectures, and elite patronage—mechanisms that obliterated most other consumer goods sectors. The lesson: *state priorities override market logic* when brands serve regime legitimacy rather than economic returns.

This sector functions as a unique laboratory for understanding brand survival under extreme constraints. No other market demonstrates complete chemical import prohibition forcing 100% natural ingredient substitution, zero international supply chains requiring closed-loop production systems, JV export architectures operating under comprehensive sanctions, and brand heritage maintained through three generations of state control from 1945 to 2026. The patterns matter beyond the DPRK—sanctions workarounds through JV structures, Chinese intermediaries, and “natural” positioning reveal strategies applicable to Iran, Syria, Myanmar, and any future isolated markets.

The practical value sits in observation, not commerce. Sanctions prohibit engagement, and the legal risks are substantial—the 2019 e.l.f. Cosmetics case proved US enforcement reaches even indirect supply chains. But studying this sector offers intelligence on constrained markets: how heritage claims function when verification is impossible (Kaesong ginseng’s 1,000-year terroir), where propaganda diverges from reality (quality claims contradicted by independent testing), and how export networks operate under sanctions (Russia/China routing, false documentation).

The opportunity window is closing. The DPRK’s post-COVID reopening creates a narrow 12-24 month period (2025-2026) for documentation before restrictions likely return. The 20x10 Regional Development Policy may decentralize production by 2026-2027, changing the current three-factory structure. Russia trade expansion creates alternative export pathways less vulnerable to US enforcement. Independent testing methodology established by Korea University in 2019 could expand as more products reach Chinese markets.

For policy analysts, cosmetics spending signals elite economic health. Kim Jong Un’s 2015-2018 attention intensity—factory visits, 138 competitor samples personally delivered, state TV campaigns—reflects consumer culture as legitimacy demonstration. Investment indicates regime confidence; cuts would signal stress. For researchers, this sector demonstrates how authoritarian states manage expectations through strategic sector protection, offering lessons that extend far beyond cosmetics or the DPRK.

KEY TAKEAWAY

80-year sanctions isolation forced 100% natural substitution—not marketing, but necessity. Forced autarky creates formulation expertise competitors cannot replicate.

Full interactive profile — with local operations map, complete timeline, and founder profile — on intelligence.brandmine.ai



Full profiles available at brandmine.ai

Brands · Kumgangsán · Unhasu · Mirae

About This Research

This report draws on 18 verified sources across 3 languages. Each brand is assessed against Brandmine's six-phase story arc framework — from Setup through Crisis to Triumph. All classifications and signal assessments are cross-validated against independent references.

Full methodology at brandmine.ai.

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