

Ryugyong Hotel: The 105-Storey Hotel That Has Never Welcomed a Guest

Started in 1987 to Outbuild the South, Pyongyang's Glass Pyramid Absorbed a Fortune, Outlived Its Economic Logic and Became the World's Tallest Unoccupied Building

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Key Facts

Cost: ~\$750M estimated (unverified); ~\$180M reported facade works

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Executive Summary

The Ryugyong Hotel was meant to open in 1989 as the world's tallest hotel: 105 storeys, 330 metres and some 3,000 rooms rising over Pyongyang to answer the South Korean-built Westin Stamford. Japanese press estimates put its cost at \$750 million - reportedly two per cent of North Korea's GDP, though no figure has ever been verifiable. Work stopped in 1992 as the Soviet Union's collapse dragged the North into crisis; the shell stood windowless for sixteen years until Egypt's Orascom clad it in glass between 2008 and 2011. A Kempinski deal announced in 2012 collapsed within months. The hotel has never opened; its facade now serves as a giant LED propaganda screen. This is the anatomy of a prestige project that outlived its own rationale.

Executive Lessons

- Prestige Specifications Are Evidence-Proof

The Ryugyong's scope was fixed by a propaganda contest - beat the Westin Stamford - not by demand analysis. When the brief is 'be the biggest', no market data can shrink it, and the project loses the only mechanism that keeps scope honest.

- A Project That Cannot Be Cancelled Is Already a Failure

After 1992 the tower was economically pointless, yet abandonment was politically impossible. Governance must preserve a face-saving exit path; projects with no acceptable stopping state consume resources indefinitely.

- Finishing the Facade Is Not Finishing the Building

Orascom completed the glass exterior by 2011 while the interior remained bare concrete with one service lift. Visible milestones are the easiest to deliver and the least correlated with value - measure what the asset can do, not what it photographs like.

- Opacity Is a Risk Premium You Cannot Price

No published accounts, inspections or schedules exist; even the \$750 million cost is an unverifiable press estimate. Where information is suppressed, every participant prices in fear - or, like Kempinski, signs and then quietly walks away.

- Macro Collapse Exposes Vanity Projects First

The Soviet collapse turned a questionable project into an impossible one within a year. Megaprojects with no independent revenue logic are the first casualties of economic shock - and the hardest to restart, as sixteen dead years proved.

- Structural Doubts Do Not Expire

The reported late-1990s finding of poor concrete and crooked lift shafts was never publicly resolved; decades of weathering an unsealed concrete frame only deepen such questions. Resuming work on a doubted structure without published re-certification transfers reputational risk to every new partner.

Timeline

- 1986: South Korean-built Westin Stamford in Singapore becomes the world's tallest hotel, intensifying the inter-Korean prestige contest that frames the Ryugyong project.
- 1987: Construction begins in Pyongyang on a 105-storey, 330-metre, roughly 3,000-room pyramid hotel, targeted at

the 1989 World Festival of Youth and Students.

- 1989: The festival deadline is missed amid engineering and materials problems; work continues without an opening.
- 1992: With the Soviet Union dissolved and North Korea entering economic crisis, construction halts at full height; the tower stands windowless with a crane rusting at its summit.
- late 1990s: A European Chamber of Commerce in Korea inspection reportedly concludes the structure is irreparable, citing concrete quality and crooked lift shafts - a finding never made public.
- 2008-01: Esquire names the Ryugyong 'the worst building in the history of mankind', fixing its global image as the 'Hotel of Doom'.
- 2008-04: Egypt's Orascom Group - holder of North Korea's first 3G licence, a deal reported at ~\$400 million - resumes work on the tower after a sixteen-year halt.
- 2011: Exterior glazing is completed at a reported cost of ~\$180 million and the crane is removed; officials announce a 2012 opening for the Kim Il-sung centenary.
- 2012-11: Kempinski Hotels announces it will manage the Ryugyong with a partial opening expected in 2013.
- 2013-03: Kempinski withdraws, saying market entry is 'not currently possible'; the opening is cancelled and the site returns to silence.
- 2018: An LED display of more than 100,000 lights is fitted to the facade, converting the empty tower into a night-time propaganda screen.
- 2024-06: The facade displays 'Welcome Putin' during the Russian president's visit; the interior remains unfinished and the hotel has still never hosted a guest.

Sources

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- Development of Ryugyong Hotel suspended (Young Pioneer Tours, 2013)
- Ryugyong Hotel: Inside North Korea's Mysterious Pyramid (2025 Status Update) (Architectural Story, 2025)