



NORTH KOREAN FOREIGN TRADE DOWN 10.5% IN 2009

In 2009, North Korea's foreign trade (not including inter-Korean trade) amounted to 3.41 billion dollars, 10.5 percent less than 2008, which saw the largest amount of DPRK overseas commerce since 1991. Exports were down 5.97 percent (1.06 billion USD), while imports were down 12.45 percent (2.35 billion USD), recording a 1.29 billion USD trade deficit.

These figures come from a KOTRA analysis of the Korea Business Center (KBC)'s statistics of trade with North Korea by foreign countries. Because North Korea does not reveal trade statistics, this 'mirror analysis' method of analyzing the statistics of its trading partners is the only method available.

Looking at each country's trade figures individually reveals that China is the North's largest trade partner. DPRK-PRC trade amounted to 2.68 billion USD last year, 78.5 percent of all the North's foreign trade. The North exported 790 million USD worth of goods to China, while its imports from China amounted to 1.89 billion USD. As North Korea's trade with China continues to grow relative to that with other countries, so too, does its economic dependence on Beijing. In 2003, DPRK-PRC trade amounted to 42.8 percent of its overall foreign trade. This grew to 48.5 percent in 2004, accounted for more than half (52.6 percent) in 2005, hit 56.7 percent in 2006, 67.1 percent in 2007, and 73 percent in 2008.



North Korea's main imports from China were crude oil and petroleum (330 million USD, down 44.2 percent from 2008), boiler and machinery parts (160 million USD, up 10 percent), and electrical components (130 million USD, up 31 percent). Top exports to China included coal (260 million USD, up 26 percent), minerals (140 million USD, down 34.1 percent), and textiles (90 million USD, up 20.7 percent).

Germany, Russia, India, and Singapore were the North's 2nd thru 5th largest trade partners. Trade with Germany was up 33.7 percent, amounting to 70 million USD, while trade with Russia, India, and Singapore dropped off. After these countries, Hong Kong, Brazil, Thailand, Bangladesh, and the Netherlands made up the rest of the top 10 trade partners, which account for 92 percent of all the North's overseas trade.

In addition, with continuing sanctions against the North by the United States and Japan, there were no exports to these countries, and imports from these countries amounted to a mere 2.7 million USD and 900,000 USD, respectively.

Inter-Korean trade for 2009 amounted to 1.68 billion USD. This was down 7.8 percent from the previous year. North Korean imports from the South were down 16.1 percent, recording 740 million USD. This was largely impacted by the closing of the Keumgang Mountain tourism project.

Combined, North Korea's total foreign trade was down 9.7 percent, to 5.09 billion USD. 53 percent of this was with China, while 33 percent was with South Korea.



Continued international sanctions against the North and the possibility of additional unilateral sanctions from several countries means DPRK foreign trade will likely shrink more in 2010. It is also expected that the North's economic dependency on China will continue to grow.