



## **INTER-KOREAN TRADE UP 51.3% IN FIRST HALF OF 2010**

Trade between the two Koreas in the first half of 2010 totaled 980 million USD, 51.3 percent more than the 650 million dollars-worth of trade last year. North Korea's trade with China was also up, by 16.4 percent, to 1.28 billion USD. Kim Jong Il has made two trips to China and the North has taken other steps to boost cross-border trade with the Chinese.

According to a recent report comparing inter-Korean trade to that between North Korea and China, North-South trade in 2007 equaled 91 percent of Pyongyang's trade with Beijing, but as inter-Korean relations chilled, that number fell to 65 percent in 2008. This year, that number climbed back up to 77 percent, largely because the Kaesong Industrial Complex, which has avoided political entanglement, has grown 96 percent since last year. Textiles and home electronics top the list of goods in inter-Korean trade, while minerals are the top item traded across the DPRK-PRC border.

North Korea's import of South Korean goods increased by 63 percent to 430 million USD, while the North's Chinese imports rose a mere 25 percent, but still totaled 930 million USD. 36 percent of South Korean exports to the North are raw materials for North Korean textile production, while 120 million USD-worth of electronics make up the second-largest export industry. Making up the largest sector, 27 percent (250 million USD) of North Korea's imports from China are made up of minerals and crude oil, while textiles make up 12 percent and base metal resources make up 8 percent. South Korean imports have also grown 43 percent, to 550 million USD, since last year. In comparison, Chinese imports from North Korea shrunk one percent to 340 million USD. Clothing and other ready-for-market textiles made up 44 percent of



North Korean exports to the South, while electrical and electronic goods made up 17 percent. Coal, iron, and other key resources made up 51 percent of DPRK exports to China, while zinc and other base metals make up approximately 20 percent.