

DPRK EMBRACES COMPARATIVE ADVANTAGE TO STRENGTHEN FOREIGN ECONOMIC RELATIONS

According to an article run in the June 10 issue of the Rodong Sinmun, the newspaper of the North Korean Workers' Party, economic independence "is not closing the doors and solving everything 100 percent on our own," and stressed the fundamental rule of 'selling what is present and buying what is missing', otherwise known as comparative advantage, as the key to advancing overseas foreign economic relations.

The newspaper article, titled, "The Main Principle for Maintaining the Basic Path Toward Construction of a Powerful Economic State," explained, "In every country there are limited resources, and at the level of advancement of the economy as well as science and technology, and on the principle of trading based on what is available and what is necessary in each sector, it is normal to give what one has and receive what one does not in order to advance the economy."

This fundamental rule of strategic trade can also be seen in the July 2005 agreement reached at the 10th meeting of the South-North Economic Cooperation Promotion Committee. At the time, the two Koreas agreed to mobilize natural resources, funds, technology, and more as much possible, based on what was available in each state, in order to advance joint national projects.

The newspaper stressed that "not mobilizing domestic preparations and possibilities and relying entirely on outside [powers] to advance the economy is, in the end, putting the fate of the economy in someone else's hands...by fully mobilizing in-country forces and potential as a base, resolving necessary issues through foreign economic relations is just secondary." The article added that the country "must stand by this principle to build a strong economy with an

independent strength that would not waver even if there were global economic waves,” and that this would, “increase and guarantee the physical livelihoods of the people.”

The article closed by noting, “the important, fundamental issue as [North Korea] maintains the basic path toward the construction of a powerful economic state...is keeping the economic structure’s distinctive qualities alive while technically reviving the people’s economy,” and furthering the development of heavy industries and national defense industrial sector.