



DPRK TRADE HITS RECORD HIGH IN 2008

North Korea's overseas trade (excluding inter-Korean exchanges) continues to grow, in particular with China, and last year recorded the highest amount of trade since 1990.

On May 18, results of analysis by the Korea Trade & Investment Promotion Agency (KOTRA) of overseas trade statistics provided to the Korea Business Center in countries around the world revealed that last year's exports grew by 23 percent (1.13 billion USD), while imports shot up 32.7 percent (2.69 billion USD). The North registered a 1.56 billion dollar deficit, but the overall volume of trade (3.82 billion USD) was the highest since the North's trade amounted to 4.17 billion USD 18 years prior.

Business with China, traditionally North Korea's largest trading partner, totaled 750 million USD-worth of exports and 2.03 billion USD-worth of imports, as the North's dependence on trade with its neighbor continues to grow. In 2003, trade with China accounted for 32.7 percent of the North's overseas trade, but that grew to 48.5 percent in 2004, made up more than half (52.6 percent) in 2005, and rocketed up to 73 percent last year.

KOTRA reported that the North's imports from China have grown by 46 percent over the last decade, and that in 2008, both trade with China and trade deficit with China hit record highs. At the recent Pyongyang Spring Trade Exhibition (May 11-14), 167 companies from 17 countries, including vendors from China, Russia, Germany, Malaysia, Syria, Sweden, Singapore, Vietnam and Thailand showed their wares, but China's overwhelming presence was felt, with over 100 of the companies present were from the PRC.



Business with Pyongyang's second-largest trading partner, Singapore, accounted for a mere 3.1 percent (123.6 million USD) of overall trade, although that showed a 116.1 percent increase over 2007. Trade with India and Brazil, the North's no. 3 and 4 trade partners was relatively stable.

With sanctions in effect by the United States and Japan, the North's exports to these countries were practically nonexistent, although imports registered 52.1 million USD and 7.7 million USD, respectively.

According to KOTRA, "it appears that, aside from China, North Korea's overseas trade with other countries showed no significant change," and, "with negative issues such as the global economic slump and North Korea's rocket launch, this year North Korea's overseas trade is expected to contract slightly, while reliance on China will grow as China's economic influence on the North expands further."