

GLOBAL FINANCIAL CRISIS HITS DPRK ECONOMY BY WAY OF CHINA

Contacts within North Korea are reporting that the North Korean people are becoming very anxious over the possibility of the international economic crisis having a long term impact as not only exports have dropped, but even cross-border smuggling is taking a hit.

Recently, as Chinese traders have more than halved the price of North Korea's main export goods such as minerals and scrap iron, North Korea's markets and even construction industry have felt the blow.

As North Korean state-run media outlets report the current financial crisis as the ruin of the United States and other capitalist world powers, they report as if North Korea were completely unaffected by it. On the 20th, the Rodong Sinmun emphasized that the U.S.' financial management system was 'like a candle in the wind.'

However, it has been leaked that since last week, businesses in North Korea have been shutting their doors as a result of the financial crisis. In particular, the value of the North Korean Won has dropped sharply against the Chinese Yuan, and combined with Chinese traders' reluctance to purchase North Korean goods and calls to lower prices, very little business is being conducted. This has led mines in Hyesan to halt exports of lead and zinc, and with the drop in legitimate exports, of course smuggling has dropped of, as well.

Furthermore, as raw materials from China are not being supplied, construction projects in the North are also grinding to a halt.